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June 19, 2013

Jeff S. Jordan
Supervisory Attorney
Complaints Examination & Legal Administration
Federal Election Commission
999 E Street, NW
Washington, DC 20463
VIA FACSIMILE: (202) 219-3923

Re: MUR 6734—Response to Complaint against Robert L. Beal and Sua Sponte Submission

Dear Mr. Jordan:

On behalf of our client, Robert L. Beal ("Beal"), we respond to the complaint filed by Citizens for Responsibility and Ethics in Washington ("CREW"), dated May 15, 2013, and designated MUR 6734. The complaint in this matter alleges that Beal violated the biennial contribution limits of the Federal Election Campaign Act of 1971, as amended (the "Act"). We note that the constitutionality of the biennial contribution limit at 2 U.S.C. § 441a(a)(3) has been challenged and is pending before the U.S. Supreme Court. See *McCutcheon v. FEC*, No. 12CV1034, 2012 WL 4466482 (D.D.C. Sept. 28, 2012), *prob. juris. noted*, No. 12-536, 2013 WL 598469 (Feb. 19, 2013). As such, we respectfully request that this matter be held in abeyance until the Court has rendered its decision.

I. Factual Background

The complaint alleges that Beal violated the Act by contributing more than the biennial limit of \$46,200 to federal candidates during the 2012 election cycle. This allegation appears to be based on a single news article published by the *Huffington Post* on May 2, 2013 alleging that Beal contributed a total of \$72,483 to federal candidates and committees with excessive contributions totaling \$26,282. CREW provides no analysis or documentation explaining whether this figure is correct.

Prior to receiving the CREW complaint, Beal became aware of news reports regarding the biennial aggregate contribution limit and retained counsel to initiate an internal review of his

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personal 2012 election cycle contributions. Based on this review, it appears that Beal contributed \$77,816 to federal candidate committees, and as a result, exceeded the 2012 biennial contribution limit by \$31,616. It also appears Beal exceeded the PAC/party contribution limit during the 2012 election cycle by \$20,900; however, this was not an allegation in the CREW complaint. In an effort to fully comply with the Act, Beal is self-reporting both the additional excessive contributions made to federal candidates and committees that were not included in the CREW complaint, as well as the excessive contributions made to PACs/party committees during the 2012 election cycle per the *Policy Regarding Self-Reporting of Campaign Finance Violations (Sua Sponte Submissions)*, 72 Fed Reg. 16695 (2007).

II. Legal Analysis and Remedial Actions

The Act imposes an overall biennial limit on individual contributions to federal candidates and political committees.¹ For the 2012 cycle, individuals were subject to an overall biennial contribution limit of \$117,000. Of this \$117,000 no more than \$46,200 could be contributed to federal candidate committees, and no more than \$70,800 could be contributed to PACs and political party committees. Further, of the \$70,800 limit to PACs/party committees, no more than \$46,200 could be contributed to state and local party committees and PACs.

A. Excessive 2012 Election Cycle PAC/Party Contributions

Although not raised in the complaint, it appears Beal contributed \$14,250 to state/local party committees and PACs, and an additional \$77,450 to national party committees for a total of \$91,700. As a result, Beal exceeded the PAC/party contribution limit for the 2012 election cycle by \$20,900.

These excessive contributions resulted from confusion related to contributions made to joint fundraising committees. In particular, over the 2012 election cycle, Beal contributed a total of \$60,600 to the National Republican Senatorial Committee ("NRSC") through contributions to a joint fundraising committee. For example, on March 14, 2011, Beal contributed \$24,800 to the NRSC as part of a joint fundraiser. In addition, on November 30, 2011, Beal contributed an additional \$5,000 to the NRSC as part of a joint fundraiser. Finally, on January 31, 2012, Beal contributed another \$30,800 to the NRSC as part of a joint fundraiser. As a result, Beal has requested a refund from the NRSC in the amount of \$20,900. A copy of this written request, which was sent via certified mail, is attached as Exhibit A.

B. 2012 Cycle Candidate Contributions

According to the internal review, it appears Beal exceeded the federal candidate contribution limit for the 2012 election cycle by \$31,616, not \$26,282 as alleged by CREW. Again, Beal is self-reporting the additional excessive contributions. Beal has sent, via certified mail, written refund requests to federal candidate committees on a "last in first out" basis. Beal

¹ 2 U.S.C. § 441a(a)(3).

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is requesting refunds from federal candidates totaling \$31,666. Copies of the written requests are attached as Exhibit B, Letters 1-17.

III. Request for Alternative Dispute Resolution ("ADR")

We respectfully request that the Commission refer this matter to ADR. Beal had begun a review of his 2012 cycle contributions prior to the filing of the complaint, and has taken corrective measures. In addition, he has implemented internal safeguards and compliance measures to prevent any recurrence through the hiring of experienced counsel and training of his staff. Beal wishes to cooperate fully with the Commission to quickly resolve this matter.

Thank you for your consideration of this matter, and please do not hesitate to contact me directly at (202) 572-8663 with any questions.

Respectfully submitted,



Charles R. Spies
Counsel to Robert Beal

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